



March 18, 2009

ENGROSSED HOUSE BILL No. 1697

DIGEST OF HB 1697 (Updated March 16, 2009 12:28 pm - DI 116)

Citations Affected: IC 5-28.

Synopsis: Office of small business advancement. Requires the economic development corporation (corporation) to maintain a small business division to carry out the corporation's duties concerning the development of small businesses. Specifies information that must be contained in the corporation's annual report. Requires the corporation to assist small businesses in obtaining state and federal tax incentives. Requires the corporation to maintain a statewide network of public, private, and educational resources to inform small businesses of the state and federal programs under which they may obtain financial assistance or realize reduced costs.

Effective: July 1, 2009.

Michael, Pearson, Murphy, Blanton

(SENATE SPONSORS — LAWSON C, MRVAN, YOUNG R)

January 16, 2009, read first time and referred to Committee on Small Business and Economic Development.

February 2, 2009, amended, reported — Do Pass.

February 5, 2009, read second time, ordered engrossed. Engrossed.

February 12, 2009, read third time, passed. Yeas 91, nays 1.

SENATE ACTION

February 23, 2009, read first time and referred to Committee on Agriculture and Small Business.

March 17, 2009, amended, reported favorably — Do Pass.

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March 18, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1697

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 5-28-2-6 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2009]: **Sec. 6. For purposes of IC 5-28-17, "small business"**
4 **means a business entity that satisfies the following requirements:**
5 (1) **On at least fifty percent (50%) of the working days of the**
6 **business entity occurring during the preceding calendar year,**
7 **the business entity employed not more than one hundred fifty**
8 **(150) employees.**
9 (2) **The majority of the employees of the business entity work**
10 **in Indiana.**
11 SECTION 2. IC 5-28-5-6.5 IS ADDED TO THE INDIANA CODE
12 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2009]: **Sec. 6.5. The board shall maintain a small business**
14 **division, including the Small Business Development Center Lead**
15 **Center, to carry out the corporation's duties under IC 5-28-17. The**
16 **board shall staff the division with employees of the corporation.**
17 SECTION 3. IC 5-28-17-1, AS ADDED BY P.L.4-2005, SECTION

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34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) The corporation shall do the following to carry out this chapter:

(1) Contribute to the strengthening of the economy of Indiana by encouraging the organization and development of new business enterprises, including technologically oriented enterprises.

(2) Submit an annual report to the governor and to the general assembly not later than November 1 of each year. The annual report must:

(A) include detailed information on the structure, operation, and financial status of the corporation, **including:**

(i) detailed information on the corporation's efforts to support the development of small businesses under this chapter; and

(ii) an evaluation of the results of the corporation's efforts to encourage the development of small businesses under this chapter; and

(B) be in an electronic format under IC 5-14-6.

The board shall conduct an annual public hearing to receive comment from interested parties regarding the annual report, and notice of the hearing shall be given at least fourteen (14) days before the hearing in accordance with IC 5-14-1.5-5(b).

(3) Approve and administer loans from the microenterprise partnership program fund established by IC 5-28-18.

(4) Conduct activities for nontraditional entrepreneurs under IC 5-28-18.

(5) Establish and administer the small and minority business financial assistance program under IC 5-28-20.

(6) Establish and administer the microenterprise partnership program under IC 5-28-19.

(7) Assist small businesses in obtaining state and federal tax incentives.

(8) Maintain, through the Small Business Development Centers, a statewide network of public, private, and educational resources to, among other things, inform small businesses of the state and federal programs under which they may obtain financial assistance or realize reduced costs through programs such as the small employer health insurance pooling program under IC 27-8-5-16(8).

(b) The corporation may do the following to carry out this chapter:

(1) Receive money from any source, enter into contracts, and expend money for any activities appropriate to its purpose.

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(2) Do all other things necessary or incidental to carrying out the corporation's functions under this chapter.

(3) Establish programs to identify entrepreneurs with marketable ideas and to support the organization and development of new business enterprises, including technologically oriented enterprises.

(4) Conduct conferences and seminars to provide entrepreneurs with access to individuals and organizations with specialized expertise.

(5) Establish a statewide network of public, private, and educational resources to assist the organization and development of new enterprises.

(6) Operate a small business assistance center to provide small businesses, including minority owned businesses and businesses owned by women, with access to managerial and technical expertise and to provide assistance in resolving problems encountered by small businesses.

(7) Cooperate with public and private entities, including the Indiana Small Business Development Center Network and the federal government marketing program, in exercising the powers listed in this subsection.

(8) Establish and administer the small and minority business financial assistance program under IC 5-28-20.

(9) Approve and administer loans from the microenterprise partnership program fund established by IC 5-28-18.

(10) Coordinate state funded programs that assist the organization and development of new enterprises.

SECTION 4. IC 5-28-17-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 3. The corporation's small business division described in IC 5-28-5-6.5 shall provide free access to the office's services through:**

(1) a toll free telephone number; and

(2) an Internet web page maintained on the corporation's web site.

SECTION 5. IC 5-28-17-4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4. This chapter may not be construed to limit the corporation's ability to carry out its responsibilities under this chapter with respect to a business that:**

(1) the corporation considers to be a small business; and

(2) does not meet the definition of a small business set forth in

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1 IC 5-28-2-6.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Small Business and Economic Development, to which was referred House Bill 1697, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, after line 37, begin a new paragraph and insert:

"SECTION 5. IC 5-28-17-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 4. This chapter may not be construed to limit the corporation's ability to carry out its responsibilities under this chapter with respect to a business that:**

- (1) the corporation considers to be a small business; and**
- (2) does not meet the definition of a small business set forth in IC 5-28-2-6."**

and when so amended that said bill do pass.

(Reference is to HB 1697 as introduced.)

RESKE, Chair

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Agriculture and Small Business, to which was referred House Bill No. 1697, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be **AMENDED** as follows:

Page 1, delete lines 5 through 8, begin a new line block indented and insert:

"(1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred fifty (150) employees."

Page 1, delete lines 11 through 16, begin a new paragraph and insert:

"SECTION 2. IC 5-28-5-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 6.5. The board shall maintain a small business division, including the Small Business Development Center Lead**

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Center, to carry out the corporation's duties under IC 5-28-17. The board shall staff the division with employees of the corporation."

Page 2, delete lines 10 through 20, begin a new line double block indented and insert:

"(A) include detailed information on the structure, operation, and financial status of the corporation, including:

(i) detailed information on the corporation's efforts to support the development of small businesses under this chapter; and

(ii) an evaluation of the results of the corporation's efforts to encourage the development of small businesses under this chapter; and"

Page 2, line 21, reset in roman "(B)".

Page 2, line 21, delete "(E)".

Page 2, delete lines 36 through 41, begin a new line block indented and insert:

"(8) Maintain, through the Small Business Development Centers, a statewide network of public, private, and educational resources to, among other things, inform small businesses of the state and federal programs under which they may obtain financial assistance or realize reduced costs through programs such as the small employer health insurance pooling program under IC 27-8-5-16(8)."

Page 3, line 32, delete "office of" and insert "**corporation's**".

Page 3, line 32, delete "advancement" and insert "**division**".

Page 3, line 33, delete "established under" and insert "**described in**".

and when so amended that said bill do pass.

(Reference is to HB 1697 as printed February 3, 2009.)

NUGENT, Chairperson

Committee Vote: Yeas 9, Nays 0.

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